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7 JUN 1965

MEMORANDUM FOR THE RECORD

SUBJECT: DCI Briefing of CIA Subcommittee of House Appropriations -
4 June 1965

1. The Director, accompanied by Mr. Houston, met with the CIA Subcommittee of House Appropriations. Present were the Chairman, Mr. Mahon, and Mr. Lipscomb. Mr. Robert Michaels, Staff Assistant, was also present.

2. The Director gave an intelligence briefing on trouble spots around the world following the text prepared by OCI. Mr. Lipscomb picked up the Director's comments about a UPI story of Russian nuclear build-up in eastern Europe and said that apparently we confirmed this. The Director repeated that there had been some build-up and discussed generally the state of our knowledge on Russian missiles. He stated that he thought we were doing pretty well but there were some puzzling factors and it was always possible we were missing something and that he was putting special emphasis on this including convening a panel of industrial experts including Mr. Hyland. Mr. Mahon said he knew Mr. Hyland.

3. The Director then described his concept of the 15-year plan for the intelligence community and said that when completed it would be a basis for the coordination and presentation of budget estimates. He pointed out it would be developed on a geographic approach and cited

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[REDACTED] He said the 15-year plan would be coordinated through USIB. Mr. Mahon responded with a semi-philosophical discussion of the tendency, particularly of executive departments and agencies, to grow in size. He felt that development of such a plan would be an opportunity for office heads and staff officers to assert requirements for more people and money. He made a strong plea to the Director not to be persuaded by any such claims but to hold the line. Mr. Mahon pointed out that Mr. Dulles and Mr. McCone had been highly respected on both sides of Congress and had gotten pretty much what they wanted in the way of money. He further said that this was the Committee's own fault as the Directors had repeatedly invited them to inspect the Agency in depth and the Committee had not done so. He said they planned to do so in the future. Mr. Mahon said so far as he was concerned they would approve our budget request for this year and in the future would take a closer look as, in effect, they had been a rubber stamp in the past. The Director said he was in complete agreement and pointed out the 15-year plan was for the purpose of achieving good business-like management in meeting future requirements and was designed to develop maximum economy and efficiency. The Director cited NPIC as an example where he had been told that NPIC would need a new building and double the personnel and he had sent them back to study the problem. With improved techniques and automation the job could be achieved without any increases in personnel. Mr. Mahon pointed out there was a growing feeling in the Congress that the intelligence community in the executive branch had expanded far enough and had now reached its ceiling.

4. Mr. Lipscomb asked about the manning of the SAM sites which we were finding around Hanoi and the Director pointed out that the Soviets and the Red Chinese were in a horse race. The Chinese were closer and could give more immediate support but the Russians had committed themselves to support of the North Vietnamese in an effort to capitalize on their historical intelligence against the Red Chinese. This was the basis for introducing the SA-2s, the IL-28s, and the additional MIGS. This presented the U. S. Government with a delicate policy question if and when we challenge Moscow on this build-up.

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LAWRENCE R. HOUSTON
General Counsel

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